



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission

DATE: Sept. 17, 2008

FR: Legislation Committee

W. I.: 1131

RE: Committee Recommendations

The Legislation Committee met on Sept. 12 and referred three November 2008 ballot measures to the Commission.

- a. **Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century** (State Proposition 1A). In the final weeks of session, the Legislature passed and the Governor signed AB 3034 (Galgiani), to make a number of changes to the bond measure.

The \$9.9 billion bond measure includes:

- Updated route and terminus points to the adopted route.
- Imposes a cap of 10 percent on the amount of bond funds to be used for studies and plans, and a cap of 2.5 percent on administrative expenses.
- Requires the creation of an independent peer review group.
- Specifies that Phase 1 of the system is the corridor between the San Francisco Transbay Terminal and Los Angeles Union Station and Anaheim, but allows funds to be spent on a number of other specific corridors, including (1) San Francisco to San Jose to Fresno, (2) Oakland to San Jose, and (3) Merced to Stockton to Oakland and San Francisco via the Altamont Corridor, as long as investment in those corridors advances the construction of the system and does not adversely affect Phase 1.

In recognition of MTC's formal support of a statewide high-speed rail system taken in October 2007 through Resolution 3829, MTC took a support position on AB 3034 last June. The bond is consistent with the goal of Resolution 3829, namely to support the Pacheco alignment as the primary north/south alignment but to advance improvements for interregional and local rail travel between the Bay Area and the northern San Joaquin Valley.

Proposition 1A also contains \$760 million for local rail connections to the high-speed rail system or for the rehabilitation, modernization, and safety improvements to passenger rail tracks, signals, structures, facilities and rolling stock. The table below shows the specific amounts by Bay Area operator.

Connectivity Funds for Bay Area Operators
(dollars in millions)

	2002 Estimated Revenue	Current Estimate	Change	Percent of Statewide Funding
Operator				
ACE	\$17.5	\$15.2	(\$2.3)	2%
BART	\$285.0	\$259.9	(\$25.1)	34%
Caltrain	\$45.7	\$40.8	(\$4.9)	5%
SF MTA	\$69.0	\$65.7	(\$3.4)	9%
VTA	\$21.2	\$24.7	\$3.5	3%
Total	\$438.4	\$406.3	(\$32.1)	53%

Note: Totals may not sum due to rounding

In conclusion, because the high speed rail bond has the potential to reduce Bay Area and statewide vehicle congestion, divert air passenger demand away from congested airports and onto rail, reduce statewide greenhouse gas emissions, and generate much needed funds for Bay Area transit operators, we recommend a support position on Proposition 1A.

Committee Recommendation: Support

b. Santa Clara Valley Transportation Authority Sales Tax (Measure B)

If approved by two-thirds of the county's voters, the 30-year, 1/8 cent, sales tax will pay for operating and maintenance costs associated with extending BART into Santa Clara County. Collection of the tax would not begin until the requisite financing commitments could be obtained from the state and federal governments. Santa Clara County has a long history of approving local transportation sales taxes, most recently Measure A from the 2000 ballot. That half-cent measure featured a host of transit projects, including the BART extension, and was approved by more than 70 percent of the electorate.

MTC Resolution 3434 continues to support the Bay Area Rapid Transit (BART) extension from the current terminus in Fremont to the City of Santa Clara. The proposed tax would raise \$51 million in its first year of collection, which is likely to be 2013, according to VTA. VTA estimates that extension subsidy payments to BART are projected to total \$1.8 billion (escalated dollars) through 2036, and the 1/8-cent sales tax is projected to bring in \$1.9 billion over that time period.

Committee Recommendation: Support

c. Sonoma-Marín Area Rail Transit (SMART) Sales Tax Proposal (Measure Q)

Placed on the November ballot in Marin and Sonoma counties by the SMART District, Measure Q calls for a quarter-cent sales tax for construction and operation of a passenger rail system and connecting bicycle/pedestrian pathway along 70 miles of Northwestern

Pacific (NWP) Railroad right-of-way. The measure requires two-thirds approval from voters in both counties. The measure would take effect in April 2009 and generate approximately \$890 million (escalated dollars) over its 20-year life (approximately \$45 million annually).

In November 2006, SMART placed before the voters in Marin and Sonoma counties a proposal to increase the local sales tax by ¼-cent for 20 years to fund the project. In effect, the measure received a 65.3 percent majority, but needed 66.7 percent approval to be adopted.

Should the measure pass, SMART anticipates beginning rail service by fall of 2014. Fourteen stations are planned: Cloverdale, Healdsburg, Windsor, Santa Rosa (two stations), Rohnert Park, Cotati, Petaluma (two stations), Novato (two stations), San Rafael (two stations) and Larkspur. The expenditure plan also includes funding to complete a parallel bicycle-pedestrian pathway along the rail corridor linking the 14 stations.

The SMART corridor is included in MTC Resolution 3434, the Bay Area's transit expansion blueprint. Measure Q will provide the local funding leverage necessary to attract additional matching funds at all levels of government. It is a critical element for the North Bay's efforts to provide travel options in the crowded Highway 101 Corridor.

Committee Recommendation: Support